



CITY OF ABSECON
Municipal Complex
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**JANUARY 22, 2009
BUDGET MEETING
MINUTES**

FLAG SALUTE

ROLL CALL: Marczyk, Green, Norris, Falivene, Vizthum, Gorman, Caterson

Absecon: Mayor Elco

Also Present: City Administrator, Terry Dolan; CFO, Jessica Thompson & Carie Crone, City Clerk

PRESIDENT'S STATEMENT ON THE SUNSHINE LAW – Lynn

NOTIFICATION THAT THIS MEETING IS ELECTRONICALLY RECORDED – Lynn

Terry – basically the opening fund balance is what is leftover from the previous year after we account for all our revenue and expenses, and we have done well with not over-spending. In 2008 we had \$1,700,000 when we started a year ago. As we sit here today, we have \$814,000. Major changes are delinquent taxes, which were normally \$300,00 a year. This year the bottom dropped out and it's \$800,000 and other items were: interest rates coming down and construction fees went down.

Lynn – if for some reason, the taxes were paid, would our fund balance go up?

Jessica – no, we couldn't use that in the fund balance now but it would give us more at the end of 2009 and use it for the 2010 fund.

Terry – the 2008 budget was roughly \$10,200,000.00. Jessica and I knew we are looking at a difficult year so she just came up with a bare bones budget forgetting what people are asking for. It is \$9.7 million that does not include grants however, the 2008 budget does.

Fred – when we will know the state aid amount because we can't finalize ours until they tell us?

Jess – Leon said not to plan until the first meeting in March for introduction as a time frame.

Terry – we have to at least due temporary budgets and we can keep a handle on it.

Jess – we will be okay for a little while but if we get to April we will need another temporary budget.

Lynn – with no knowledge of state aid, it puts us in a very difficult situation. We can't raise more than \$6,780,00 by taxes.

Jess - If the state takes away from the aid, they have to make an adjustment in our cap. Explained why they can't cut too much off since it deals with certain items that can't be taken away. A penny is about \$100,000.

Terry - Reductions in budget were made in mostly every department and Jessica has assumed a hiring freeze. We know of one person that is going to retire June 1st. It will be a patrolman and she assumed we wouldn't be filling it.

Fred – what about the ramp monitor?

Jess – that's different because that person gets paid out of the ramp fees.

Lynn – do we have to take an action on a hiring freeze? She then posed an example of someone that we need here and they leave.

Jess – no, we are not talking about one person that does just the one job.

Terry – it's just a statement given to all dept. heads saying we are serious about this and every request will be looked at by council on a case by case basis but now the decision is no.

Jim – do you think the chief knew that when he asked to hire two recently?

Terry –yes, he knew but they will probably be surprised.

Jess – we have been talking about bringing that dept. down a person for a while and then two were hired to bring it back to 26. It wouldn't be the first time we were lower than 26.

Terry – We collect the taxes for the school district and then turn it over to them. With the school district, each year they adopt their budget in April and the budget begins in July. We start collecting retroactive to Feb. 1st, so we have a deferred fund for school taxes. The fund now has \$600,000. We can use that money to plug this hole. He will ask Leon to come in and explain it to you.

Jerry – we should call in every dept. head at one time and lay it on the line, so they all understand where we are coming from. This way they all hear it at one time and know they aren't getting picked on. Does not know what the Mayor will interject at our meeting on Wed. night but he does know that the new police chief wants to purchase new equipment and vehicles. The idea is to go over his request to get justification for it and bring it back to council. Unless we can substantiate a public safety issue, I can't recommend purchases this year.

Terry - This isn't going to go away. It could be worse next year. I can call a meeting with the dept. heads and tell them what is happening along with Jessica.

Everyone agreed that was a good idea and they could be invited to come to the next budget meeting if they want to.

The Public Works cut of \$20,000 is for the gypsy moth spraying.

Communications – Jessica explained a lot of their requests were already purchased in 2008 and that number can be brought down.

Ambulance Squad – Fred thought we talked about cutting them each year until they were self-sustaining. We still need to see their profits and losses and we shouldn't give them anything until we do. We are still buying their fuel and for some of the vehicles.

Discussion on whether we could keep ½ of the pension payment instead of sending it all to the State right away. Jess spoke with Leon and he said that might not even fly and for us not to count on it.

Library budget - Last year we paid them about \$300,000 and bottom line is their fund balance went up \$125,000. They're not even close to spending what we give them. Terry is to look into a deferred payment to them.

ADJOURNMENT

Motion to adjourn meeting – Councilman Norris – second – Councilman Falivene
All were in favor.

Respectfully submitted,

Carie A. Crone, Clerk

Approved: _____